

DATE: March 26, 2007

TO: Board Members of the Iowa Lottery Authority

FROM: Steve King, Chief Financial Officer

Attached are the financial statements for February 2007. During February, we had revenue of \$19,264,500. This sales level resulted in \$4,925,896 of proceeds payable to the State General Fund and \$96,568 payable to the Gambler's Treatment Program.

Attachments

IOWA LOTTERY AUTHORITY
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
FOR THE MONTH AND YEAR ENDED FEBRUARY 28, 2007

	Month ended February 28, 2007	Month ended February 28, 2006	Year-to-date February 28, 2007	Year-to-date February 28, 2006
OPERATING REVENUES				
Instant ticket sales	\$11,627,877	\$9,497,970	\$81,637,063	\$69,551,555
Pick 3 sales	504,702	479,320	4,101,545	3,999,631
Powerball sales	4,100,117	11,243,676	42,441,092	49,824,100
Hot Lotto sales	849,668	1,156,296	9,931,893	6,379,554
Pick 4 sales	171,234	159,216	1,445,917	1,348,513
\$100,000 Cash Game sales	340,482	355,469	2,901,976	2,871,816
Touch Play Machine (Net Receipts)	0	18,063,437	(77,671)	80,502,911
Pull-tab sales	1,594,989	1,236,972	14,076,067	12,210,289
Application fees	425	3,475	4,925	54,275
Other revenue	75,006	271	97,070	34,195
Total operating revenues	19,264,500	42,196,102	156,559,877	226,776,839
OPERATING EXPENSES				
Instant Prize expense	6,626,066	5,542,399	49,480,760	41,858,264
Pick 3 prize expense	299,671	284,262	2,417,527	2,361,988
Powerball prize expense	1,833,333	5,579,891	20,362,471	24,375,339
Hot Lotto prize expense	406,647	571,208	4,876,504	3,104,961
Pick 4 prize expense	92,933	75,574	762,272	691,262
\$100,000 Cash Game prize expense	415,503	168,310	1,623,496	1,353,165
Pull-tab prize expense	992,438	769,671	8,758,441	7,597,513
Promotional prize expense	19,121	22,638	98,964	232,257
Advertising/Publicity	527,558	623,009	4,227,213	4,575,442
Retailer compensation expense	1,198,589	15,210,894	9,730,282	70,252,082
Ticket expense	307,611	175,778	1,772,806	1,615,838
Vendor compensation expense	609,388	730,792	4,900,909	4,553,875
Personal services	647,143	632,416	5,530,756	5,226,646
Travel	25,746	29,677	262,280	246,216
Supplies	4,081	11,080	66,551	118,141
Printing	3,128	156	16,955	20,192
Postage	0	11,303	39,923	45,222
Communications	55,772	52,021	368,041	460,211
Rentals	22,381	32,125	182,803	253,765
Utilities	10,722	12,384	66,714	84,861
Professional fees	5,226	1,609	69,712	42,958
Outside services & repairs	86,734	52,908	470,521	449,132
Data processing	3,720	2,028	26,889	15,142
Equipment	12,677	7,879	131,223	111,820
Reimbursement to other state agencies	25,843	28,411	240,770	207,210
Depreciation	119,548	118,757	950,467	940,814
Other	10,094	5,451	106,078	97,714
MUSL administrative expense	1,786	9,903	(39,597)	45,676
Total operating expenses	14,363,459	30,762,534	117,501,731	170,937,706
Operating income (loss)	4,901,041	11,433,568	39,058,146	55,839,133
Interest income	94,891	30,002	485,350	459,435
Interest expense	(15,052)	(20,522)	(120,413)	(164,175)
Income before transfers	4,980,880	11,443,048	39,423,083	56,134,393
Transfer to Gambler's Treatment Program	(96,568)	(211,289)	(784,836)	(1,136,042)

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	Month ended February 28, 2007	Month ended February 28, 2006	Year-to-date February 28, 2007	Year-to-date February 28, 2006
Transfer to State	<u>(4,925,896)</u>	<u>(11,351,667)</u>	<u>(39,657,885)</u>	<u>(55,435,993)</u>
Change in net assets	(41,584)	(119,908)	(1,019,638)	(437,642)
Net assets, beginning of period	<u>2,787,574</u>	<u>2,016,555</u>	<u>3,765,628</u>	<u>2,334,289</u>
Net assets, end of period	<u>\$2,745,990</u>	<u>\$1,896,647</u>	<u>\$2,745,990</u>	<u>\$1,896,647</u>